

VZCZCXRO0913
PP RUEHCHI RUEHCN RUEHDT RUEHHM
DE RUEHBK #0258/01 0250845
ZNY CCCCC ZZH
P 250845Z JAN 08
FM AMEMBASSY BANGKOK
TO RUEHC/SECSTATE WASHDC PRIORITY 1574
INFO RUEHZS/ASSOCIATION OF SOUTHEAST ASIAN NATIONS PRIORITY
RUEHBJ/AMEMBASSY BEIJING PRIORITY 5467
RUEHBY/AMEMBASSY CANBERRA PRIORITY 8243
RUEHLI/AMEMBASSY LISBON PRIORITY 0177
RUEHLO/AMEMBASSY LONDON PRIORITY 1590
RUEHNE/AMEMBASSY NEW DELHI PRIORITY 4976
RUEHNY/AMEMBASSY OSLO PRIORITY 0971
RUEHPF/AMEMBASSY PHNOM PENH PRIORITY 2542
RUEHSM/AMEMBASSY STOCKHOLM PRIORITY 0837
RUEHKO/AMEMBASSY TOKYO PRIORITY 0316
RUEHWL/AMEMBASSY WELLINGTON PRIORITY 2132
RUEHCHI/AMCONSUL CHIANG MAI PRIORITY 4695
RHEHNSC/NSC WASHDC PRIORITY
RHHMUNA/CDR USPACOM HONOLULU HI PRIORITY
RHEFDIA/DIA WASHDC PRIORITY
RUEHBS/USEU BRUSSELS PRIORITY
RHHMUNA/HQ USPACOM HONOLULU HI PRIORITY
RUCNDT/USMISSION USUN NEW YORK PRIORITY 5276
RHFJSCC/COMMARFORPAC PRIORITY
RUEAIIA/CIA WASHINGTON DC PRIORITY

C O N F I D E N T I A L SECTION 01 OF 02 BANGKOK 000258

SIPDIS

SIPDIS

NSC FOR LIZ PHU

E.O. 12958: DECL: 01/25/2018
TAGS: [PGOV](#) [PREL](#) [PHUM](#) [PREF](#) [KDEM](#) [KPAO](#) [TH](#) [BM](#)
SUBJECT: DAS MARCIEL PRESSES MFA PERMSEC ON BURMA

REF: 2007 BANGKOK 5234

BANGKOK 00000258 001.2 OF 002

Classified By: Ambassador Eric G. John, reason 1.4 (b) and (d).

11. (C) SUMMARY: Burma remained a complicated issue for the RTG, and the Thais shared China's concerns about the potential impact on its borders if the situation in Burma were to destabilize, MFA Permanent Secretary Virasakdi Futrakul told Deputy Assistant Secretary Scot Marciel over lunch on January 23. Marciel emphasized the importance of continued pressure on the Burmese junta, and encouraged Thailand to support U.S. efforts in initiatives such as the proposed import ban on Burmese gems and hardwoods. Virasakdi lamented Thailand's deteriorating influence within the Burmese government; he gave no indication that Thailand's policy towards Burma would toughen up in the near future. END SUMMARY.

THAILAND FACES DILEMMA WITH BURMA

12. (C) Virasakdi described Thailand's relationship with Burma as drastically weakened since former Burmese Prime Minister Khin Nyunt (perceived as close to the RTG) fell out of favor with the Burmese junta. "They are punishing us now" stated Virasakdi "and today our influence in Rangoon is nil." While the RTG appreciated why the U.S., EU, and the UN looked to Thailand to take a more proactive stance towards Burma, the MFA PermSec believed that his government had very little leverage over the Burmese regime. The RTG continued to take what small action they could; Virasakdi pointed out, for example, that the RTG had pointedly postponed inviting newly-appointed Burmese Prime Minister Thein Sein to visit Thailand.

13. (C) Virasakdi also defended Thailand's sensitive economic relationship with Burma, which drove much of the RTG's policy with its western neighbor. Marciel explained that Burma remained a priority issue in Washington. For example, both Houses in the U.S. Congress have drafted legislation to ban the importation of Burmese-origin gems and hardwoods, and we would ask our colleagues in the region to consider similar initiatives. Marciel recognized the effect a gem and hardwood ban would have on a country like Thailand, but emphasized the importance of coordinated efforts to keep pressure on the junta.

14. (C) Thailand was also concerned about USG proposed sanctions on financial institutions and gas investments, and their possible negative implications for the Thai economy, added Virasakdi. He explained that if Thailand lost access to Burma's gas reserves, which power 20% of his country's electricity, the resultant price increases would lead to rampant inflation. Furthermore, the loss would have a huge effect on the Petroleum Authority of Thailand (PTT), which is one of the Thai Stock Exchange's largest companies. Virasakdi concluded that Thailand's loss would be China's gain as the Chinese would immediately acquire any investments abandoned by Thailand.

THAILAND SHARES CHINESE CONCERNS

15. (C) Thai and Chinese officials were most concerned about stability within Burma, Virasakdi stated. He believed that in recent weeks China tempered its willingness to intervene due to a perception that the U.S. was advocating for rapid regime change in Burma, versus behavioral change as promoted

BANGKOK 00000258 002.2 OF 002

by the UN. Virasakdi referred to the Chinese claims to have evidence that the US had been behind the demonstrations; he said that the Chinese fear of US support for a "color revolution" in Burma might be one reason why China was less supportive of international efforts on Burma now. (reftel) Virasakdi explained that in its conversations with Thailand, China repeatedly expressed concern about the ramifications of uncontrolled change and the resulting instability that would occur in Burma, likening it the chaotic fallout following the breakup of Yugoslavia. This scenario was not in the interest of China or Thailand.

16. (C) Marciel responded that the USG was not calling for radical, overnight change, but added that maintenance of the status quo in Burma would only lead to further deterioration and, ultimately, even more instability. Therefore, the USG supported the Burmese opposition's call for inclusive dialogue with the Burmese military to determine the future of Burma. Virasakdi questioned whether the USG had clearly explained this position to China.

17. (C) Virasakdi believed that the Burmese junta would move forward with plans to legitimize the current governing role of the military in the new constitution. The junta would subsequently politicize its mass social movement (Union Solidarity Development Association or USDA) and only then invite the participation of the opposition. He added that the Burmese junta would continue to follow this path confident that it had the support of China. Marciel pointed out that the problem with that process was that the Burmese junta had no popular support. If China continued to shield the Burmese government, he explained, a controlled transition would become harder and harder to manage.

COMMENT

18. (C) Thailand continues to plead its powerlessness and lack

of influence on the Burmese junta, raising the specter of threatened economic links and instability on their border. Virasakdi also anticipated that the new Thai government would revive much of former Prime Minister Thaksin's economic diplomacy policies, which sought ways to increase financially profitable engagement with the Burmese government regardless of the junta's political shortcomings. Virasakdi accepted Marciel's explanation of U.S. policy as aimed at convincing the Burmese junta to begin meaningful steps towards a democratic transition and national reconciliation in Burma. However, he was clearly concerned that this message had not gotten through to China. End Comment.

19. (C) Deputy Assistant Secretary Marciel cleared this cable.
JOHN